

Lien Sales and Abandoned Vehicles

22.000 Introduction

This chapter contains the procedures for lien sales and abandoned vehicles.

“Lienholder” Defined—As used in this chapter, the “lienholder” is the person or entity who has interest in the vehicle due to storage and/or towing costs.

22.005 Removal of Vehicles Under Local Abatement Procedure (VC §§22660 - 22662)

A city, county, or city and county may adopt a local ordinance to establish procedures for the abatement and removal of abandoned, wrecked, dismantled, or inoperable vehicles or major parts from private or public property. A public agency that removes one of these vehicles or major parts **must**:

- Issue a 10-day notice of intention to abate and remove the vehicle or parts **unless**:
 - The owner of the property and the vehicle owner sign a release authorizing removal **and** waive further interest in the vehicle or part **or**
 - The vehicle is inoperable due to the absence of motor, transmission, or wheels; incapable of being towed, valued at less than \$200, is a public nuisance, and the owner of the property signs a release authorizing removal and waives interest in the vehicle.
- Within five days of removal of the abandoned vehicle, submit a Notice of Removal of Abandoned Vehicle (REG 104) to the department.
- Surrender to the department any evidence of registration, such as the registration card, title, and/or the license plates or Notice of License Plate Destruction (middle portion of the REG 42).
- Dismantle the vehicle or dispose of it at a licensed dismantler or a scrap yard.

NOTE: A Report of Vehicle to be Dismantled (REG 42) is **not** required if a copy of the Authorization to Dispose of a Vehicle (REG 462) is maintained as part of the dismantler’s business records.

A vehicle removed under the abatement procedure may **not** be reconstructed or made operable **unless** it qualifies for Horseless Carriage or Historical Vehicle license plates (VC §5004).

22.005 Removal of Vehicles Under Local Abatement Procedure, continued

Exception: If a local ordinance has an abatement program under VC §22710 (Service Authority for Abatement of Abandoned Vehicles) and all reporting requirements have been met, local authorities may give abandoned vehicles to a correctional institution, which has a program under the consent of the Director of Corrections for their inmates to restore and rebuild donated salvageable and abandoned vehicles (VC §22711).

22.010 Removal of Abandoned Vehicles (VC §22669)

Any peace officer, or other person designated in *California Vehicle Code* §22669, who has reasonable grounds to believe a vehicle is abandoned may remove it from a highway or from public or private property.

Vehicles which are parked, resting, or otherwise immobilized on any highway or public right-of-way which lack an engine, transmission, wheels, tire, doors, windshield, or any part or equipment needed to operate safely on the highway may be removed immediately upon discovery by a peace officer or other designated state, county, or city employee.

Dismantlers who acquire these vehicles from a public agency are exempt from paying any fees or penalties that may have accrued for this vehicle. Dismantlers are also exempt from filing a Notice of Acquisition (REG 42), lower portion, but **must** submit the Vehicle to be Dismantled (REG 42), top portion, in the usual manner.

NOTE: Vehicles removed under this section may **not** be reconstructed or made operable **unless** vehicle qualifies for Horseless Carriage or Historical Vehicle license plates (VC §5004).

22.015 Disposition of Abandoned Low Value Vehicles \$500 or Less (VC §22851.3)

Whenever a peace officer, or any authorized employee of a public agency authorized pursuant to VC §22669, removes or causes the removal of an abandoned vehicle and the public agency (or at the request of the public agency, the lienholder) determines the estimated value of the vehicle to be **\$500** or less, the public agency **shall**:

Step	Action
1	At least 72 hours before the vehicle is removed, securely attach a distinctive notice stating the vehicle will be removed by the public agency. If the vehicle lacks equipment (engine, wheels, etc.) to operate safely on the highways, it may be removed immediately upon discovery without posting the notice by a peace officer or other designated employee of the state, county, or city without posting the notice (VC §22669[d]).
2	Immediately after vehicle is removed, notify the Stolen Vehicle System of the Department of Justice in Sacramento of the removal of the vehicle.

Step	Action
3	Prepare a Public Agency Authorization to Dispose of a Vehicle (REG 462) and give it to the tow company 15 days after the notification to interested persons. If the vehicle is in such condition that there is no means of determining ownership, the public agency which removed the vehicle may give authorization to dispose of the vehicle immediately.

NOTE: Low value abandoned vehicles may only be disposed of by a licensed dismantler or scrap iron processor.

The public agency **must** give the following items to the dismantler (for submission to DMV) or the scrap iron processor to authorize disposal of an abandoned vehicle valued at **\$500** or less:

- The white and pink copies of the Public Agency Authorization of Disposal of Vehicle (REG 462) (to be forwarded to the licensed dismantler within five days of delivery of vehicle to the dismantler). The REG 462 **must**:
 - be completed and signed by the officer authorizing the vehicle's disposal.
 - have the box for VC §22851.3 checked.
 - have box #9 marked with the date of notification.

<i>If...</i>	<i>then the...</i>
a 72-hour notice was posted on the vehicle	first box must be checked.
a notice was not required per VC §22669[d]	second box must be checked.
DMV had no record of the vehicle or the towing company notified the owner and completed a statement of facts to that effect	notification date may not be checked. (The statement of facts must accompany the REG 462.)

- When the public agency has the lienholder (tow company) notify all of the interested persons, that lienholder must:
 - Submit a duplicate of the completed copy of the Notice of Intent to Dispose of Abandoned Vehicle (REG 684A). Only the latest owner must be notified when there is more than one Notice of Release of Liability (REG 138) on the DMV record.
 - Complete the form REG 686A, identifying each person notified. The date the notification was mailed **must** be within 48 hours of removal, excluding weekends and holidays. The certified mail receipt number **must** be recorded on the form and the receipt attached.

NOTE: Vehicles removed by public agencies under VC §22851.3 **must** be dismantled and may **not** be reconstructed or made operable **unless** the vehicle qualifies for Horseless Carriage or Historical plates (VC §5004).

Licensed dismantlers acquiring these vehicles are **not** required to submit a Notice of Acquisition, but **must** complete the Report of Vehicle to be Dismantled (REG 42).

22.020 Disposition of Low-Valued Vehicles Removed for Reasons Other than Abandonment (VC §22851.2)

If a vehicle is determined to have a value **not** exceeding **\$500**, the public agency which removed the vehicle shall do the following:

- Within 48 hours after removal of the vehicle, notify the Department of Justice at:
 Department of Justice
 Bureau of Justice Information Services
 Stolen Vehicle Unit
 PO Box 903417
 Sacramento, CA 94203-4170
- Prepare and give to the lienholder a report which includes all of the following:
 - The value of the vehicle estimated pursuant to VC §22670.
 - Identification of the estimator.
 - Location of the vehicle.
 - Description of the vehicle, including make, year model, identification number, license number, state of last registration, and if a motorcycle, the engine number.
 - Statutory authority for the storage.
- If the vehicle is in such condition that there is no means of determining ownership (missing VIN, etc.), the public agency removing the vehicle may authorize disposal of the vehicle on the Public Agency Authorization of Disposal of Vehicle (REG 462).
- If no authorization for disposal of the vehicle is issued, a vehicle identification number **must** be assigned prior to commencing the lien sale proceedings.

NOTE: Vehicles removed by public agencies under VC §22851.2 can be dismantled or reregistered.

22.025 Vehicles Sold at Lien Sales

Vehicles sold at lien sales fall into two categories:

- **Low Value Vehicles—\$4,000 or Less**—Follow the procedure described in *California Civil Code* §3072.
- **Higher Value Vehicles—\$4,001 or More or From a Self-storage Facility**—Follow the procedure described in *California Civil Code* §3071.

For lien sale purposes, the public agency, garage keeper, or agent—at the request of the public agency—shall determine the estimated value of the vehicle.

22.030 Lien Sale Procedure for Vehicles Valued at \$4,001 or More or Stored at Self Service Storage Facilities (Civil Code §3071)

When the value of a vehicle has been determined to be \$4,001 or more or the lien was created by a self-service storage facility, the lienholder must apply to the department for authorization to conduct the lien sale within 30 days of the date the lien arose (date the registered owner was billed or when the public agency impounded the vehicle).

NOTE: A self-service storage facility is any real property designed and used for renting or leasing individual storage space. This does not include a garage or other storage area in a private residence.

All applications for authorization must be accompanied by a \$5 non-refundable fee and submitted to:

Department of Motor Vehicles
Lien Sale Unit MS E143
PO Box 932317
Sacramento, CA 94232-3170

Lien Sale Process

Step	Process						
1	Lienholder submits an Application for Lien Sale Authorization (REG 656) and the lien sale authorization fee to DMV. Refer to the Fees appendix, Appendix 1F, for fee information.						
2	DMV notifies by certified mail the owners and interested parties of the lien sale and gives them the opportunity to stop the sale. (Owners and interested parties have 10 days to oppose the sale.)						
	<table> <tr> <th><i>If the sale is...</i></th><th><i>then DMV sends...</i></th></tr> <tr> <td>opposed</td><td>lienholder a denial letter. Lienholder may pursue a court judgment to satisfy the lien. Procedure to obtain a court judgment is described in this chapter.</td></tr> <tr> <td>not opposed</td><td>authorization to the lienholder</td></tr> </table>	<i>If the sale is...</i>	<i>then DMV sends...</i>	opposed	lienholder a denial letter. Lienholder may pursue a court judgment to satisfy the lien. Procedure to obtain a court judgment is described in this chapter.	not opposed	authorization to the lienholder
<i>If the sale is...</i>	<i>then DMV sends...</i>						
opposed	lienholder a denial letter. Lienholder may pursue a court judgment to satisfy the lien. Procedure to obtain a court judgment is described in this chapter.						
not opposed	authorization to the lienholder						
3	At least 20 days prior to the sale the lienholder sends a Notice of Pending Lien Sale (REG 280) to the owner(s) of record, any interested parties, and the department.						
4	At least five days (not more than 20 days) prior to the sale, not counting the day of sale, the lienholder must advertise the sale in a newspaper. If there is no newspaper of general circulation published in the county the notice of sale must be posted in three of the most public places in the town where the vehicle is located and at the place where the vehicle is to be sold. This notice must be posted for 10 consecutive days prior to the date of sale.						
5	The lienholder must have the vehicle available for inspection at least one hour before the sale.						

Step	Process
6	Lienholder conducts sale in a businesslike fashion. Sealed bids are not allowed.
7	<p>After the sale the lienholder must:</p> <ul style="list-style-type: none"> • Keep the vehicle for a 10-day redemption period (the registered or legal owner may redeem the vehicle by paying all costs and expenses). • Remove and destroy the license plates. • Within five days of the sale, submit a completed Notice of Release of Liability (REG 138) to the department. <p>If there is no buyer, the lienholder completes the REG 168 as both seller and buyer.</p>

NOTE: All notices shall specify the make, year model, vehicle identification number (and engine number for motorcycle), license number, and state of registration, if available **and** the date, exact time, and place of sale.

22.035 Lien Sale Documentation Requirements for High Value Vehicles Over \$4,000 (Civil Code §3071)

The following must be submitted to DMV:

- A completed/signed Application for Title or Registration (REG 343) **or** a Report of Vehicle to be Dismantled (REG 42), as appropriate.
- The Certification of Lien Sale for Vehicle Valued over \$4,000 (REG 168) completed by lienholder or his/her agent, showing proper authorization to conduct sale. If there is no buyer at the lien sale, the lienholder completes the REG 168 as the buyer and the seller.
- The postal receipts **must be** attached (bulk postal receipts are acceptable).

NOTE: If a declaration of opposition (part of the REG 668) was submitted, the application must also include a certified copy of court judgment entered in favor of the lienholder **or** a release of interest from the opposer.

- A vehicle verification (completed on the back of the REG 343), if the DMV does not have a record for the vehicle.
- Bills of sale, as needed, to establish the complete chain of ownership.
- Other documents, as need, such as a Vehicle/Vessel Transfer and Reassignment Form (REG 262) with the odometer mileage disclosure.
- A smog certification, if appropriate.
- The registration fees due, if the vehicle is being registered.

NOTE: The 10-day redemption period applies towards the 20-day calculation for payment of fees.

22.035 Lien Sale Documentation Requirements for High Value Vehicles Over \$4,000, continued

The proceeds of the sale **must** be used to pay the lien and the cost of keeping and selling the vehicle. The cost of selling **must** be the actual cost and **cannot** exceed \$100. Within 15 days of the sale date, the lienholder **must** forward any remainder to:

Department of Motor Vehicles
Lien Sale Unit MS E143
PO Box 932317
Sacramento, CA 94232-3170

22.040 Obtaining Court Judgment When Declaration of Opposition is Submitted

The department will deny the lien sale or cancel the authorization requested by the lienholder (or its agent) in possession of the vehicle if it receives a declaration of opposition (part of the REG 668 form). In such cases, the lienholder may pursue continuing the lien sale by obtaining and submitting any of the following to the department's Lien Sale Unit in Sacramento Headquarters:

Correction

- The original signed copy of a release of interest from the opposer. This can be a letter or Statement of Facts (REG 256).

or

- A copy of a court judgement with a copy of the plaintiff's claim and a Statement of Facts (REG 256) stating: "A court judgement has been received in the lienholder's favor. It has been at least 35 days and no money has been received."

or

- A completed and signed Application to Continue Lien Sale After Unsuccessful Service (REG 659) form.

After receipt of the documents, DMV will send a letter allowing the sale to continue.

22.045 Lien Sale Procedure for Vehicles Valued at \$4,000 or Less (Civil Code §3072)

Step	Process
1	The lienholder is required to obtain a DMV printout within 30 days of the date the lien arose (date the registered owner was billed for services or when public agency impounded the vehicle). Requests must be on a form approved by the department.
2	The lienholder sends a Notice of Pending Lien Sale and Declaration of Opposition (REG 668) at least 31 days, but not more than 41 days, prior to the sale date to: <ul style="list-style-type: none"> • The registered and the legal owners. • Known interested parties. • DMV.
3	The owners and interested parties have 10 days to oppose the sale.

Step	Process
4	If the department receives a declaration of opposition, notification must be sent within 16 days to the lienholder. Lienholder may pursue a court judgment to satisfy this lien. The procedures for a court judgment are discussed in this chapter.
5	At least 10 days prior to the sale, the lienholder must post a notice of the pending sale at the sale location.
6	The vehicle must be available for inspection at least one hour before the sale.
7	The lienholder conducts the sale in a business-like fashion. Sealed bids are not allowed.
8	There is no redemption period. The buyer may take immediate possession of the vehicle.

NOTE: All notices shall specify all of the make, year model, vehicle identification number (and engine number for motorcycle), license number, and state of registration, if available **and** the date, exact time, and place of sale.

22.050 Lien Sale Clearance Requirements for Low Value Vehicles, \$4,000 or Less (Civil Code §3072)

The following must be submitted to DMV:

- An Application for Title or Registration (REG 343) completed and signed by the buyer **or** a Report of Vehicle to be Dismantled (REG 42), as appropriate.
- Certification of Lien Sale for Vehicles Valued at \$4,000 or Less (REG 168A) completed by lienholder or agent, showing proper authorization to conduct sale.

NOTE: If there is no buyer at the lien sale, the lienholder completes the REG 168 as the buyer and the seller.

- The DMV printout and postal receipts **must** be attached to the REG 168A. Bulk postal receipts are acceptable.
- A vehicle verification (completed on the back of the REG 343), if the DMV does not have a record for the vehicle.
- Bills of sale, as needed, to complete chain of ownership.
- Other documents, as needed, such as a Vehicle/Vessel Transfer and Reassignment Form (REG 262) with the odometer mileage disclosure.
- A smog certification, if appropriate.
- The registration fees due, if the vehicle is being registered.

NOTE: If a declaration of opposition was submitted, the application must also include either a certified copy of the court judgment entered in favor of the lienholder **or** a release of interest from the opposer.

22.050 Lien Sale Clearance Requirements for Low Value Vehicles, \$4,000 or Less, continued

The proceeds of the sale **must** be used to pay the lien and the cost of keeping and selling the vehicle. The cost of selling **must** be the actual cost and **cannot** exceed \$70. within 5 days of the sale date, the lienholder **must** forward any remainder to:

Department of Motor Vehicles
Lien Sale Unit MS E143
PO Box 932317
Sacramento, CA 94232-3170